

W A S H I N G T O N  
**H I G H E R**  
**EDUCATION**  
C O O R D I N A T I N G   B O A R D

July 2006

## **DRAFT: HECB Agency Budget Request 2007-09 Biennium**

### **Purpose**

The fiscal committee is asked to review and consider the staff's recommendations for the agency budget request and develop a recommendation to the full board.

The agency budget request contains only the budget items that affect appropriations to the board. The board is simultaneously working on budget recommendations for the state's higher education system, which include appropriations to the Higher Education Coordinating Board (HECB), the State Board for Community and Technical Colleges (SBCTC), Spokane Intercollegiate Research and Technology Institute (SIRTI), and the public two- and four-year institutions. These system-wide recommendations follow a different timeline and are due to the Office of Financial Management (OFM) on November 1, 2006.

This overview addresses the board's agency budget **only** and does not address the board's overall budget recommendations for higher education.

### **Background**

Each state agency, public higher education institution, board, or commission is required to submit a biennial budget request to OFM. Agency budget requests are used by the governor and legislative budget writers while developing their budget proposals. The governor's budget is released first, with the Senate and House typically building budgets based on the governor's proposals.

The operating budget is incremental. The governor, House, and Senate each begin with the existing enacted budget and add or subtract funding for programs or initiatives each believes to be of paramount importance to the state. This process follows a series of technical steps:

- **Enacted budget** - The enacted budget is the sum total of spending appropriated in the previous biennium (2005-07), including the operating budget bill and any supplemental budgets.
- **Carryforward level** - Technical adjustments are made to subtract any one-time funding provided in the enacted budget. An example of this is the funding the board received to develop college readiness definitions in English and science. OFM will subtract this funding from carryforward because it was intended to be a one-time project. Adjustments also are

made to recognize the cost of decisions that may have affected only the second year of the enacted budget, but will now affect both years of the next biennial budget. A common example of this is cost-of-living salary adjustments. The enacted budget includes a 1.6 percent increase in the second year of the biennium. OFM will make an adjustment to include the cost of this increase in both years of the 2007-09 biennial budget.

OFM negotiates with agencies to calculate carryforward level. This usually results in an agreed-upon carryforward amount that the agency, the governor, the House, and the Senate all use in beginning to build the new biennial budget.

- **Maintenance level** - Adjustments are made to recognize the increased costs of providing services authorized in the enacted budget. The largest items provide funding for increases in Medicaid caseload and K-12 enrollment. In higher education, the legislature has historically increased appropriations to the State Need Grant program, and more recently to other aid programs, to reflect the cost of serving the same number of students when tuition increases. These costs might technically be defined as maintenance level costs. However, as a practical matter, the amount of the increase is unknown until the legislature determines how much the institutions may increase tuition for resident undergraduate students. The tuition decision is made in policy level (see below). As a result, the entry necessary to fund financial aid cost increases also is made in policy level.
- **Policy level** - Adjustments are made to add or subtract programs and initiatives that reflect the priorities of budget writers. The state's economic forecast determines whether the policy discussion centers around making significant cuts in existing services, making a combination of cuts and additions, or is primarily about where to invest available funds. The most recent revenue forecast implies that the state will be in a reduction mode for 2007-09, making it more difficult for budget writers to add new programs or initiatives. Revenue forecasts are published quarterly. The budget-writing process takes almost a full year. As a result, agency budgets and the board's overall recommendations for higher education are based on the July revenue forecast, the governor's budget is based on the November forecast, and legislative budgets are based on the February forecast.

The board is required to transmit its maintenance and policy level budget requests to OFM on or before September 1, 2006. The board will be asked to review and approve the agency's budget request at its July meeting, which is the last regularly scheduled meeting prior to the September 1 deadline.

## Priorities for the HECB Agency Budget Request

The underlying objective of the Higher Education Coordinating Board's 2007-09 budget request is to enhance the capacity and effectiveness of the agency and board in implementing the *2004 Strategic Master Plan for Higher Education*.

To develop this budget proposal, the board, with the guidance of its fiscal committee, will identify **specific operating budget priorities** for the 2007-09 biennium, each of which has a direct relationship to the goals and strategies of the master plan. Only those adjustments, at both the

maintenance and policy levels, that have a direct relationship to the specific budget priorities will be considered in developing the budget request.

### **Policy and Planning Context: The Goals and Priorities of the State's Strategic Master Plan for Higher Education**

The agency's 2007-09 budget proposal is derived from the goals and strategies of the 2004 *Strategic Master Plan for Higher Education*. This plan focuses on two central goals:

*Goal 1: Increase opportunities for students to earn degrees*

*Goal 2: Respond to the state's economic needs*

To achieve these goals, the Strategic Master Plan identifies 11 policy initiatives/strategies. These initiatives call for support and action on the part of the HECB, the public universities and colleges, the governor, and the legislature. The initiatives and strategies are:

1. Funding for Student Success
2. Allocating Student Enrollments
3. Increasing the Number of Degrees in High-demand Fields
4. Keeping College Tuition Affordable and Predictable
5. Promoting Opportunity through Student Financial Assistance
6. Meeting Regional Higher Education Needs
7. Helping Transfer Students Earn Bachelor's Degrees
8. Helping Students Make the Transition to College
9. Reducing Barriers for Non-traditional Students
10. Promoting Student Success through Greater Accountability
11. Measuring Student Success with an Improved Data System

### **Priorities for the Agency's 2007-09 Budget Proposal**

From these goals and initiatives, specific agency budget priorities for the 2007-09 biennium were identified as:

- Ensuring affordability and access
- Responding to state programmatic needs
- Improving efficiency and accountability within the public two- and four-year institutions
- Increasing agency effectiveness

### **Relationship of Agency Proposals to the 2007-09 HECB Budget Priorities**

Board staff identified, evaluated, and prioritized potential maintenance and policy level adjustments (decision packages). These possible adjustments are first presented by topic, with a

short description of each proposal. They are then ranked in priority order using a *Policy-Priority-Budgeting Matrix*. This budget development tool will allow staff, the HECB fiscal committee, and the board to include only those proposed budget adjustments that have a direct link to the 2007-09 agency budget priorities.

The matrix illustrates the relationship of proposed adjustments to the 2007-09 budget priorities and the goals of the 2004 Strategic Master Plan. Within each priority category, proposed adjustments are listed in priority order. Initial priority assignments are proposed by staff. The fiscal committee was then asked to determine priority assignments they will forward to the full board.

The amounts presented in this document are subject to change as staff further refine their proposals.

### **Suggested Adjustments “Decision Packages”, Organized by Topical Area**

#### **Maintenance level**

*(Increased costs of providing services authorized in the enacted budget)*

- **Keep pace with tuition and enrollment increases.** Several of the financial aid programs the HECB administers are tuition and enrollment sensitive. The amounts of student awards increase when tuition increases, and the number of students receiving the awards increases when enrollment increases. These programs include State Need Grant, State Work Study, Washington Award for Vocational Excellence (WAVE), and Washington Scholars. A special note on Washington Scholars: the legislature reduced the FY 2007 budget from three to two scholars per legislative district. The statute was changed only for the 2006-07 fiscal year and will revert to the requirement to fund three scholars for the 2007-09 biennium. As a result, carryforward only represents enough money to fund 2/3 of the costs of awards to students, before considering the impact of tuition, and it will require a disproportionately larger investment by the state to fully fund awards to these students. *(Amount will depend on tuition and enrollment decisions made in each successive version of the state budget developed by policymakers.)*
- **WICHE dues and fee increases.** The Western Interstate Commission for Higher Education (WICHE) regularly increases dues to member states and fees for its student exchange programs. Students who attend out-of-state schools for optometry and osteopathy training not offered in-state are required to return to work in Washington once they obtain their degrees. These professionals contribute to the state’s economy and provide a vital service to Washington citizens. *(\$71,500)*
- **Degree authorization operations.** The number of institutions seeking authorization or requiring their waiver status to be monitored has increased substantially. These institutions contribute to the state’s economy as employers, in addition to producing employees qualified for positions requiring baccalaureate degrees. The board’s costs of administering the program have increased from nearly \$36,000 to \$103,000. The fees collected by the program also need to be updated, however they are deposited in the general fund and are not linked to the amount the board receives to administer the program. *(\$67,000)*

- **Technical adjustments.** Each biennium, the HECB is required by the Office of Financial Management (OFM) to submit a series of technical adjustments to ensure data in the state's budget system is accurate. This biennium's technical adjustments include increasing the amount of non-appropriated funds the GET program will spend on administration due to growth in the program (\$782,000), moving ongoing funding for last biennium's high-demand grants from the HECB budget to the budgets of the regional colleges (-\$880,000) and decreasing the HECB's share of the state's tort self-insurance fund as mandated by OFM (-\$105,701).

## Policy Level

### *Financial Aid*

- **State Need Grant - Expand service to 75 percent MFI** (\$16.8 million, if no increase in tuition or enrollments). The board reached its long-standing goal to serve students whose family incomes are at or below 65 percent median family income (MFI) during the current biennium. The goal was originally set in the 1970s when the program's eligibility became income-based. In recent years, the 65 percent goal was maintained because it appeared to be the point at which at least some families began to be eligible for the HOPE and Lifetime Learning tax credits.

Since the board last reviewed the goal, family income has not kept pace with increases in college costs. As recently as the 1980s, students were expected to pay approximately 33 percent of the cost of instruction. The board's most recent Tuition and Fee Report shows the students' share has increased to over 50 percent of the cost of instruction. As a result, the purchasing power represented by the 65 percent MFI has eroded. Increasing funding to the 75 percent MFI level will allow the HECB to serve an additional 8,000 to 10,000 students. *(Amount will depend on tuition and enrollment decisions made in each successive version of the state budget developed by policymakers.)*

- **State Need Grant - Fund grants at full cost of tuition** (\$24 million, if no increase in tuition or enrollments). The board has consistently expressed its goal of providing grants equal to the full value of public sector tuition and fees. This goal is included in statute (RCW 28B.92.020 (b) ... "the base state need grant over time be increased to be equivalent to the rate of tuition charged to resident undergraduate students attending Washington state public colleges and universities". This statute was a response to the "Washington State Need Grant Program 1998 Policy Study," which concluded that grants covering the full cost of tuition would enable more low-income students to attend the institutions that best met their educational needs, not just their economic circumstances. The 1998 study used some data from the HECB's 1996 study "Student Financial Aid and the Persistence of Recipients at Washington Colleges and Universities." The persistence study found that increasing state grants helped improve persistence of students in public four-year universities. It also found that increases in state grants helped equalize the persistence of minority students compared to non-minority students in the state.

Since 1999, grants to students attending research universities have increased from 56 percent to 88 percent, at regional universities students have seen an increase from 67 percent to 91 percent, at private four-year schools the increase was from 75 percent to 93 percent, while students at community and technical colleges and private vocational schools saw a decrease from 99 percent to 95 percent. (*Amount will depend on tuition and enrollment decisions made in each successive version of the state budget developed by policymakers.*)

- **State Work Study - Internships and work experiences in high-demand/high-need occupations.** This proposal would create internships for students interested in health professions and teaching. Producing more degrees in these fields not only contributes to the economic needs of the state, but also increases the state's ability to provide these key services to its citizens. Unlike conditional scholarship programs, the proposal would provide needy students with a no-risk opportunity to work in these fields early in college and determine whether they are interested in entering these high-demand, high-need fields. (*\$1.5 million*)
- **Educational Opportunity Grant – Create opportunities for students to complete degrees.** The statute governing this program was expanded two years ago, without an increase in funding. Students throughout the state are now eligible, and, despite minimal marketing of the program, over 100 qualified students were denied a grant last year due to limited funding. The program makes it possible for placebound juniors and seniors to enroll in local four-year colleges to complete their baccalaureate degrees. To be considered placebound, students must be unable to continue their education—without the assistance of this grant—because of family or work commitments, health concerns, financial need, or other similar factors. The design of the program aligns with the state's investment in the 2+2 model and the board's role in transfer policy. In addition, it increases opportunities for students in areas with low participation rates to obtain baccalaureate degrees and contribute to their community's economy. Due to its design, the program assists students to complete degrees quickly. The proposal includes funding to aggressively market the program and locate placebound students with associate degrees who have previously expressed an interest in obtaining a baccalaureate degree. (*\$2.0 million*)
- **Scholarship Clearinghouse - Development and maintenance.** At its December 2005 meeting, the board authorized staff to work with a coalition of non-profit organizations interested in developing a statewide scholarship clearinghouse, modeled on successful clearinghouses in other states. The clearinghouse would allow students to submit a single application for multiple scholarships. Other states found that their clearinghouse increased donor support by connecting them with a statewide pool of student applicants, resulting in more private dollars being available to assist students. This type of public-private partnership leverages state funds, resulting in more positive impact on the state's economy than would be possible with state dollars alone. The coalition received private grants to fund a feasibility study and plans to seek additional private monies to purchase equipment and develop software. The feasibility study is not yet complete, but if the final

recommendations are patterned after other states, the clearinghouse would be maintained by the HECB. (*Approximately \$320,000*)

- **Health Professionals Scholarship/Loan Repayment programs - Early childhood healthcare providers.** Provide an additional \$2 million each year in awards to persons providing early childhood healthcare in underserved areas. Numerous studies have shown that children are better equipped to learn when their health and nutrition needs are met.

Funding would be split evenly between college students who would commit to seeking healthcare degrees and current healthcare practitioners willing to commit to serve this population. This proposal would increase the number of practitioners available to provide these services, contributing to the state's economy at the same time. (*\$4 million*)

- **Washington (D.C.) Center Scholarships: Expand the program.** Additional institutions have signed agreements becoming "affiliates" of the Washington Center, making their students eligible to receive these scholarships. As a result of the \$60,000 per year Washington state invested this biennium, Washington students received another \$200,000 in federally-funded scholarships from the Washington Center. Our state has not participated in this program long enough to have much data on where these students are ultimately employed, however other states report that their students are frequently employed in federal or state government jobs throughout the United States. (*\$120,000*)

### ***Outreach***

- **GEAR UP (Grant Two) - Expand the program to the unserved corners of the state.** The GEAR UP program is proven to encourage and support middle school students to aspire to, plan for, enroll in, and succeed in college. After accounting for the state GEAR UP grant, GEAR UP partnership grants, and other GEAR UP-like programs, the HECB has identified several counties in which no early college awareness program is available. Some of the unserved areas are in regions the board has identified in its *State and Regional Needs Assessment* as having low participation rates. Funding this program will contribute to the economy of these regions by increasing the number of baccalaureate-prepared students available for local jobs. (*\$3.6 million*)
- **GEAR UP (Grant One) - Stabilize scholarships awarded under previous GEAR UP grant.** The state committed to awarding scholarships to students who participated in the previous GEAR UP program at a time when it appeared there would be sufficient funds in the State Educational Trust Fund account. Through a confluence of events, current projections show there will not be enough money available in the account to honor this obligation to students. Recently several additional, albeit relatively small, sources of funds have been identified and made available for this purpose. We expect these new funds to allow us to make awards through approximately the middle of the 2007-09 biennium, at which time additional state funds will be needed to stabilize the account. (*Up to \$1.0 million*)

- **Information Outreach - College and financial aid information to unserved populations.** This proposal would address the board's desire to actively communicate the value and benefit of higher education. It would target outreach to single parents, low-income working adults, first generation, and immigrant communities. In addition it would focus on areas of the state with low participation rates and communicate opportunities for students who enter high-demand fields; areas key to the growth of Washington's economy. It would also include development of a "College for Washington" portal. (\$2.6 million)

### *Policy Development*

- **College readiness - Phase 2 for English and science.** Align definitions with the *Washington Assessment of Student Learning* (WASL), grade level expectations (GLEs), community college placement tests, and the algebra-based science requirement (2010). Develop and pilot test instructional modules and scoring guides using college readiness definitions as the framework. Develop and implement a communications plan targeting parents, students, and educators, promoting college readiness as an educational imperative. Develop recommendations for system-wide use of college readiness definitions. Seek support from private sources. (\$500,000 state money, \$1,500,000 private money)
- **College readiness - Phase 1 for additional subject areas defined in the board's Statewide Strategic Master Plan for Higher Education.** Develop college readiness definitions for world languages, social studies (geography, history, civics, economics), and/or arts. (\$900,000)
- **Data-driven policy development.** Develop research questions and complete analyses using PCHEES and other data sources, informing higher education policymakers, including the governor, legislature, and the board. In addition to ongoing analyses to support the board and other policymakers, this project would allow the board to respond to current issues by conducting data-driven studies. Examples of current topics the board would study in the 07-09 biennium are teacher preparation and global competitiveness. (\$320,000 salary, benefits, equipment, associated costs)
- **Transfer - Statewide student advising.** Under this proposal, the board is working with baccalaureate institutions and community colleges to develop an online system that would allow transfer students, counselors, and faculty to explore and plan paths to baccalaureate degrees. The system has the potential to improve efficiency of two-year to four-year transfer; ultimately allowing as many as 70 more students to obtain degrees without any additional FTE funding from the state. The board recently received a grant through the K-20 Network board (Qwest settlement funds) to conduct a pilot of this project. Preliminary results of the pilot should be available at the beginning of the legislative session. (Approximately \$1,600,000)



*Agency Effectiveness*

- **HECB recruiting and retention - TIAA-CREF.** The HECB is the only public higher education employer in the state without authority to offer a purchased annuity plan such as TIAA-CREF. This adversely affects the board's ability to recruit and retain professional staff in positions that require skills that are marketable in the higher education community. *(Up to \$191,000)*

The budget proposals are presented and prioritized in the *Policy-Priority-Budgeting Matrix* beginning on the next page.

## Policy – Priority – Budgeting Matrix

### Goals of the Strategic Master Plan for Higher Education

*Goal 1: Increase opportunities for students to earn degrees*

*Goal 2: Respond to the state's economic needs*



### HECB 2007-09 Operating Budget Priorities

Ensuring affordability and access	Responding to state program needs	Improving efficiency and accountability	Increasing agency effectiveness
<b>Proposed 2007-09 Budget Adjustments - Maintenance Level</b>			
<i>Keep pace with tuition and enrollment increases (SNG, SWS, WAVE, Scholars).</i> Outcomes: Holds 70,000-75,000 students currently being served by these programs harmless in the face of tuition and enrollment increases. <b>Cost: Depends on tuition and enrollment decisions</b>	<i>WICHE dues and fee increases.</i> Outcomes: Covers increased cost of serving the same number of students. At present, Washington receives nine times as much in exchange payments as it pays. <b>Cost = \$71,500</b>		<i>Fund increased degree authorization costs due to increased number of participating institutions.</i> Outcomes: Increase fees to cover the actual cost of this program. <b>Cost = \$67,000 (with corresponding increase in collections of \$67,000)</b>
			<i>Technical adjustments.</i> Outcomes: Increased spending authority for GET, transfer prior biennium high-demand funding from HECB to regional institutions, and correct HECB tort self-insurance allocation. <b>Cost = -\$203,701</b>
<b>Proposed 2007-09 Budget Adjustments - Policy level</b>			
<i>State Need Grant - Expand service to 75% MFI.</i> Outcomes: The program will serve 8,000-10,000 more students <b>Cost = \$16.8 million</b>	<i>GEAR UP (Grant One) - Stabilize scholarships awarded under previous grant.</i> Outcomes: About 250 students will receive \$4,000 scholarships as understood when they participated in GEAR UP Grant One activities as K-12 students. <b>Cost = \$1.0 million</b>	<i>Statewide student advising.</i> Outcomes: Will provide students, faculty, and staff a user-friendly, on-line environment to explore and plan paths to a baccalaureate degree. Will especially assist the up to 15,000 students who transfer from two-year to public and private four-year institutions annually. <b>Cost = \$1.6 million</b>	<i>HECB recruiting and retention - TIAA CREF.</i> Outcomes: Improve board's ability to recruit and retain professional staff. <b>Cost = \$191,000</b>

<p><i>EOG - Create Opportunities for Students to Complete Degrees.</i> Outcomes: Up to 400 more EOG students will receive degrees in 2009 and 800 more EOG will receive degrees in 2010. <b>Cost = \$2.0 million</b></p>	<p><i>SWS - Internships and work experiences in high-demand and high-need occupations.</i> Outcomes: 100 students in FY08 and 200 in FY09 can test their interest in high-demand/high-need fields without incurring a loan burden. Employers gain student employees at a lower cost. Graduates are frequently hired into permanent positions. <b>Cost = \$1.5 million</b></p>	<p><i>Data-driven policy development.</i> Outcomes: Will provide policymakers with analysis based on current, accurate data from over 200,000 students at public baccalaureate institutions. Also will allow the HECB to research current topics such as global competitiveness and teacher preparation. <b>Cost = \$320,000</b></p>	
<p><i>Scholarship Clearinghouse - Development and maintenance.</i> Outcomes: Numbers would likely be similar to Oregon's clearinghouse - donors participating (300), applications processed (7,000), awards made (3,000), and dollars awarded (10 million). <b>Cost = \$320,000</b></p>	<p><i>Information Outreach - College and financial aid information to unserved populations.</i> Outcomes: Will encourage low-income, disadvantaged and foster youth in middle/high schools to aspire and prepare for college; conduct financial aid information sessions in locations where not provided by the colleges or high schools; design outreach strategies targeted to non-traditional students (single parents, low-income workers, etc.) <b>Cost = 2.6 million (Phase One =\$360,000, Web Portal = \$2.25 m)</b></p>	<p><i>College readiness - English and science Phase 2</i> Outcomes: Pilot test instructional modules and scoring guides; develop communication plan directed to students, parents and educators; develop statewide recommendations for implementation. <b>Cost = \$500,000</b></p>	
<p><i>State Need Grant - Fund grants at full cost of tuition.</i> Outcomes: Will meet statutory goal of funding the grants equal to the full cost of tuition. <b>Cost = \$24 million</b></p>	<p><i>GEAR UP (Grant Two) - Expand the program to unserved corners of the state.</i> Outcomes: Provide direct services and scholarships to an additional 2,500 low-income, minority, or disadvantaged students and their parents. Also provides professional development for teachers. Creates a program model that can be continued by the school when the GEAR UP grant ends. <b>Cost = \$3.6 million (plus 25% match from the school and/or community)</b></p>	<p><i>College readiness - Languages, social sciences and the arts.</i> Outcomes: Collaborative definitions of college and work readiness in these subject areas. <b>Cost = \$900,000</b></p>	

<p><i>Washington (D.C.) Center Scholarships - Expand the program</i></p> <p>Outcomes: Will double the number of students who receive grants annually from 15 to 30 and will create additional opportunities for Washington students to get federal government jobs after graduation.</p> <p><b>Cost = \$120,000</b></p>	<p><i>Health Professionals Scholarships/Loan Repayments - expand programs to target awards to early childhood healthcare providers</i></p> <p>Outcomes: New scholarships will result in 200 new early childhood healthcare providers annually, beginning in 2 to 4 years. New loan repayments will result in 22 to 25 qualified healthcare providers using their skills in the early childcare field each year, beginning immediately.</p> <p><b>Cost - \$4 million</b></p>		
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Proposed overall priority order:

#### **Maintenance level**

1. Keep pace with tuition and enrollment increases (SNG, SWS, WAVE, Scholars)
2. WICHE dues and fee increases
3. Fund increased degree authorization costs due to increased number of participating institutions
4. Technical adjustments

#### **Policy Level**

1. State Need Grant - Expand service to 75 percent MFI
2. Statewide student advising system
3. Data-driven policy development
4. GEAR UP (Grant One) - Stabilize scholarships awarded under previous grant
5. SWS - Internships and work experiences in high-demand and high-need occupations
6. EOG - Create Opportunities for Students to Complete Degrees
7. College readiness: English and science Phase 2
8. College readiness: languages, social sciences and the arts
9. Scholarship Clearinghouse - Development and maintenance
10. Information Outreach - college and financial aid information to unserved populations
11. GEAR UP (Grant Two) - Expand the program to unserved corners of the state
12. Health Professionals Scholarship/Loan Repayment - expand programs to target awards to early childhood healthcare providers
13. State Need Grant - Fund grants at full cost of tuition
14. Washington (D.C.) Center Scholarships - Expand the program
15. HECB recruiting and retention - TIAA-CREF

## **RESOLUTION NO. 06-21**

WHEREAS, The Higher Education Coordinating Board (HECB) is a 10-member citizen board, directed in statute “to represent the broad public interest above the interests of the individual colleges and universities”; and

WHEREAS, The Higher Education Coordinating Board administers all state-funded financial aid so that loans, grants, and work-study—state and federal—may be coordinated to provide the best possible service to students and make best use of state resources; and

WHEREAS, The board also provides policy, regulatory, and fiscal recommendations at the request of the legislature and governor; and

WHEREAS, The budget request reflects the comments and decisions of the board’s fiscal committee; and

WHEREAS, The Office of Financial Management (OFM) has directed public agencies to submit budget requests for the 2007-09 biennium by September 1, 2006;

THEREFORE, BE IT RESOLVED, That the Higher Education Coordinating Board approves the biennial budget request presented to the board on July 27, 2006, and directs staff to refine and redraft the request to accommodate OFM submittal requirements by September 1, 2006.

Adopted:

July 27, 2006

Attest:

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Gene Colin, Chair

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Bill Grinstein, Vice Chair

# HIGHER EDUCATION COORDINATING BOARD

Requested 2007-09 Operating Budget Level

State General Fund, Education Legacy Trust, & Pension Funding Stabilization Account\*\*

Dollars in Millions

	Expenditure Authority 2005-07	Carry Forward Adjustment	Carry Forward Level 2005-07	Proposed Enhancements 2007-09	2007-09 Requested Budget Level	Percent Change Over 2005-07
<b>Financial Aid Programs:</b>						
<b>Policy Enhancements:</b>						
State Need Grant	319.461	12.859	332.320	32.400 *	364.720	14.2%
State Work Study	36.952	1.130	38.082	1.500 *	39.582	7.1%
Health Professions	6.200		6.200	4.000	10.200	64.5%
Educational Opportunity Grant	5.734		5.734	3.400	9.134	59.3%
Washington Scholars	4.745	(0.023)	4.722	- *	4.722	-0.5%
GEAR UP Expand to Unserved Corners of the State	-		-	3.600	3.600	N/A
WA Award for Vocational Excellence	1.641	0.053	1.694	- *	1.694	3.2%
GEAR UP Stabilization	0.075	(0.075)	-	1.000	1.000	1233.3%
WICHE	0.607	0.009	0.616	0.036	0.652	7.4%
Washington (D.C.) Center Scholarships	0.120		0.120	0.120	0.240	100.0%
Future Teachers Scholarships	1.000	0.500	1.500	-	1.500	50.0%
Leadership 1000	0.500	0.500	1.000	-	1.000	100.0%
Community Scholarship Matching Grants	0.492		0.492	-	0.492	0.0%
Foster Care Endowed Scholarship	0.150		0.150	-	0.150	0.0%
Child Care Grants	0.150		0.150	-	0.150	0.0%
College Assist. Migrant Program Grants	0.050		0.050	-	0.050	0.0%
Promise Scholarships	4.325	(4.325)	-	-	-	-100.0%
<b>Subtotal Financial Aid</b>	<b>\$382.202</b>	<b>\$10.628</b>	<b>\$392.830</b>	<b>\$46.056</b>	<b>\$438.886</b>	<b>14.8%</b>
<b>Planning &amp; Coordination:</b>						
<b>Policy Enhancements:</b>						
Information Outreach				2.600	2.600	N/A
Statewide Student Advising System	-		-	1.600	1.600	N/A
College Readiness - Social Studies, Languages & Arts - Phase 1	-		-	0.900	0.900	N/A
College Readiness - English and Science - Phase 2	-		-	0.500	0.500	N/A
Data-driven Policy Development	-		-	0.320	0.320	N/A
Scholarship Clearinghouse	-		-	0.320	0.320	N/A
HECB Recruiting & Retention - TIAA-CREF				0.191	0.191	N/A
Degree Authorization				0.067	0.067	N/A
Self Insurance Technical Adjustment	0.108		0.108	(0.106)	0.002	-98.1%
High-Demand Enrollments	0.900	0.860	1.760	(1.760)	-	-100.0%
Administration & Operating Costs	10.286	0.056	10.342	-	10.342	0.5%
College Readiness	0.600		0.600	-	0.600	0.0%
Jefferson County Demonstration Project	0.350		0.350	-	0.350	0.0%
<b>Subtotal Planning &amp; Coordination</b>	<b>\$12.244</b>	<b>\$0.916</b>	<b>\$13.160</b>	<b>\$4.632</b>	<b>\$17.792</b>	<b>-\$1.976</b>
<b>Totals</b>	<b>\$394.446</b>	<b>\$11.544</b>	<b>\$405.990</b>	<b>\$50.688</b>	<b>\$456.678</b>	<b>15.8%</b>

Note: \* Does not include funding for tuition and enrollment decisions

\*\*Does not include proposed non-appropriated funds adjustment for GET of \$782,000